

DEPARTMENT OF INDUSTRIAL RELATIONS

OFFICE OF THE DIRECTOR

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August 27, 2001

Jeff Armstrong, Field Representative
Foundation For Fair Contracting
3807 Pasadena Avenue, Suite 150
Sacramento, CA 95821

Re: Public Works Case No. 2001-020
Rancho Seco Nuclear Station Dismantlement
Sacramento Municipal Utility District/Tri-Tool, Inc.

Dear Mr. Armstrong:

This letter constitutes the determination of the Director of Industrial Relations regarding coverage of the above-referenced project under California's prevailing wage laws and is made pursuant to Title 8, California Code of Regulations, section 16001(a). Based on my review of the facts of this case and an analysis of the applicable law, I have determined that the work being done by Tri-Tool, Inc. ("Tri-Tool") relating to the dismantlement of the Rancho Seco nuclear plant ("Rancho Seco") by the Sacramento Municipal Utility District ("SMUD") is a public work subject to the payment of prevailing wages.

Tri-Tool entered into a contract with SMUD to furnish equipment, labor, materials, parts, maintenance, training and other services and support as needed for the incremental decommissioning of SMUD's Rancho Seco nuclear station. Specifically, Tri-Tool cut and segmented piping and other steam system components, using patented Tri-Tool equipment, as a part of the dismantlement of the secondary steam system at Rancho Seco. In addition, Tri-Tool trained and oversaw SMUD personnel in performing some of the cutting/segmenting work.

Labor Code section¹ 1720(a) defines public works to mean: "Construction, alteration, demolition, or repair work performed under contract and paid for in whole or in part out of public funds." Section 1772 states: "Workers employed by contractors or subcontractors in the execution of any contract for public work are deemed to be employed upon public work."

¹ Hereinafter, all statutory references are to the Labor Code.


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In this case, the work performed by Tri-Tool in the dismantlement of the Rancho Seco secondary steam system is a public work under section 1720(a) because it involves demolition work done under contract and paid for out of public funds. *Priest v. Housing Authority of the City of Oxnard* (1969) 275 Cal.App.2nd 751. In addition, the work was performed in the execution of the larger decommissioning and dismantling of Rancho Seco, a public work. Therefore, in accordance with section 1772, the work performed by Tri-Tool employees on this public works project is also subject to payment of prevailing wages.

I hope this determination satisfactorily answers your inquiry.

Sincerely,


Stephen J. Smith
Director

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